

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were higher in trading on Thursday, as the post FOMC relief rally continued for second day, amidst rising equities and a weaker USD. Benchmark yields closed lower by between 2 and 9bps for the day, with the UST curve bull-steepening as the move was more pronounced in the short end of the curve. **The benchmark 2yr UST yield was lower by 9bps for the session at 4.87%, while the benchmark 10yr UST yield was 5bps lower for the day at 4.58%.** The all-important monthly US jobs report for April awaits this evening, amidst the scheduled release of the ISM Services index.

| UST       |             |           |
|-----------|-------------|-----------|
| Tenure    | Closing (%) | Chg (bps) |
| 2-yr UST  | 4.87        | -9        |
| 5-yr UST  | 4.57        | -8        |
| 10-yr UST | 4.58        | -5        |
| 30-yr UST | 4.73        | -2        |

| MGS    |             | GII*      |             |           |
|--------|-------------|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) |
| 3-yr   | 3.60        | -1        | 3.57        | -2        |
| 5-yr   | 3.82        | 4         | 3.74        | -4        |
| 7-yr   | 3.90        | 0         | 3.88        | 0         |
| 10-yr  | 3.95        | -4        | 3.97        | -1        |
| 15-yr  | 4.05        | 0         | 4.08        | 2         |
| 20-yr  | 4.22        | -1        | 4.20        | -1        |
| 30-yr  | 4.30        | 0         | 4.29        | 1         |

\* Market indicative levels

| MYR IRS Levels |             |           |
|----------------|-------------|-----------|
| IRS            | Closing (%) | Chg (bps) |
| 1-yr           | 3.67        | 0         |
| 3-yr           | 3.70        | 1         |
| 5-yr           | 3.80        | 0         |
| 7-yr           | 3.90        | -1        |
| 10-yr          | 4.02        | 0         |

Source : Bloomberg

MGS/GII

- Local govies were mixed in trading on Thursday, amidst the relief rally seen overnight in the UST markets after the FOMC sounded less hawkish than what was anticipated, and the S&P Global Malaysia PMI Manufacturing registering an improved reading in April compared to the month before. Secondary market volume for the day inched lower by 8% to RM3.56bn, versus the RM3.86bn that traded on Tuesday. Benchmark yields closed mixed between -4 and +4bps for the day. **The benchmark 5Y MGS 8/29 saw its yield rise by 4bps to 3.82% while the benchmark 10Y MGS 11/33 was 4bps lower in yield at 3.95%.** Trading interest was seen in the benchmark 3Y MGS/GII, 5Y MGS and 10Y GII, as well as in the off-the-run MGS 7/24, MGS 9/25, MGS 6/28 and MGS 4/30. The market share of GII trading for the day increased to 29% compared to the 16% seen the previous session. Domestically, the announcement of the new 20Y MGS auction details could come later today.

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- Corporate Bonds/Sukuk markets saw a lighter trading session on Thursday, with secondary market volume for the day receding by 28% to RM421m, compared to the RM582m that exchanged hands the previous session. Trading interest for the day was led by the AA segment of the market. In the GG universe, the only trade printed for the day was in JKSB 5/30, which settled for the day at 3.96%, 2bps higher versus where it last traded. Meanwhile in the AAA space, trading interest was led by TNB 1/28 and INTI 11/28, which closed the day at 4.25% (+1bp versus last print) and 4.32% (+8bps) respectively, 4bps higher versus where it last traded. Trading in the AA universe was led by VSCM 9/27 and Fortune Premier 9/25, which settled the day at 4.06% (+11bps) and 3.99% (-1bp) respectively. Over in A-rated territory, MNRB 3/34 led trading and settled the day at 4.10%, higher by 3bps versus its last trade.

## Daily Trades: Government Bond

| Securities | Closing |          | Vol  | Previous                   | Previous   | Chg |
|------------|---------|----------|------|----------------------------|------------|-----|
|            | YTM     | (RM mil) | YTM  | Trade Date<br>(dd/mm/yyyy) | (bp)       |     |
| MGS        | 06/24   | 3.288    | 133  | 3.328                      | 04/30/2024 | -4  |
| MGS        | 07/24   | 3.224    | 188  | 3.308                      | 04/26/2024 | -8  |
| MGS        | 09/24   | 3.264    | 50   | 3.305                      | 04/30/2024 | -4  |
| MGS        | 03/25   | 3.423    | 14   | 3.380                      | 04/30/2024 | 4   |
| MGS        | 09/25   | 3.453    | 259  | 3.446                      | 04/30/2024 | 1   |
| MGS        | 04/26   | 3.484    | 10   | 3.477                      | 04/30/2024 | 1   |
| MGS        | 07/26   | 3.559    | 24   | 3.536                      | 04/30/2024 | 2   |
| MGS        | 11/26   | 3.552    | 6    | 3.549                      | 04/30/2024 | 0   |
| MGS        | 05/27   | 3.602    | 178  | 3.609                      | 04/30/2024 | -1  |
| MGS        | 11/27   | 3.647    | 40   | 3.643                      | 04/30/2024 | 0   |
| MGS        | 04/28   | 3.724    | 40   | 3.766                      | 04/30/2024 | -4  |
| MGS        | 06/28   | 3.764    | 168  | 3.782                      | 04/30/2024 | -2  |
| MGS        | 04/29   | 3.790    | 3    | 3.790                      | 04/30/2024 | 0   |
| MGS        | 08/29   | 3.821    | 229  | 3.777                      | 04/30/2024 | 4   |
| MGS        | 04/30   | 3.871    | 211  | 3.885                      | 04/30/2024 | -1  |
| MGS        | 04/31   | 3.902    | 100  | 3.901                      | 04/30/2024 | 0   |
| MGS        | 06/31   | 3.911    | 65   | 3.928                      | 04/30/2024 | -2  |
| MGS        | 04/32   | 3.948    | 5    | 3.994                      | 04/29/2024 | -5  |
| MGS        | 07/32   | 3.971    | 24   | 3.983                      | 04/30/2024 | -1  |
| MGS        | 04/33   | 3.961    | 34   | 3.985                      | 04/30/2024 | -2  |
| MGS        | 11/33   | 3.949    | 135  | 3.991                      | 04/30/2024 | -4  |
| MGS        | 07/34   | 3.978    | 70   | 3.978                      | 04/30/2024 | 0   |
| MGS        | 05/35   | 4.011    | 75   | 4.028                      | 04/30/2024 | -2  |
| MGS        | 04/37   | 4.091    | 12   | 4.074                      | 04/30/2024 | 2   |
| MGS        | 06/38   | 4.095    | 29   | 4.109                      | 04/30/2024 | -1  |
| MGS        | 04/39   | 4.052    | 66   | 4.053                      | 04/30/2024 | 0   |
| MGS        | 05/40   | 4.136    | 67   | 4.130                      | 04/30/2024 | 1   |
| MGS        | 10/42   | 4.217    | 115  | 4.231                      | 04/30/2024 | -1  |
| MGS        | 09/43   | 4.217    | 28   | 4.217                      | 04/30/2024 | 0   |
| MGS        | 03/46   | 4.261    | 65   | 4.266                      | 04/30/2024 | 0   |
| MGS        | 07/48   | 4.296    | 9    | 4.283                      | 04/30/2024 | 1   |
| MGS        | 06/50   | 4.291    | 36   | 4.300                      | 04/30/2024 | -1  |
| MGS        | 03/53   | 4.299    | 55   | 4.295                      | 04/30/2024 | 0   |
| GII        | 08/24   | 3.205    | 124  | 3.276                      | 04/25/2024 | -7  |
| GII        | 10/24   | 3.236    | 3    | 3.251                      | 04/30/2024 | -1  |
| GII        | 08/25   | 3.439    | 50   | 3.479                      | 04/30/2024 | -4  |
| GII        | 03/26   | 3.511    | 2    | 3.493                      | 04/30/2024 | 2   |
| GII        | 09/26   | 3.569    | 300  | 3.588                      | 04/30/2024 | -2  |
| GII        | 07/27   | 3.661    | 2    | 3.644                      | 04/30/2024 | 2   |
| GII        | 09/27   | 3.642    | 12   | 3.606                      | 04/30/2024 | 4   |
| GII        | 07/28   | 3.740    | 64   | 3.778                      | 04/30/2024 | -4  |
| GII        | 10/28   | 3.758    | 35   | 3.756                      | 04/30/2024 | 0   |
| GII        | 07/29   | 3.786    | 44   | 3.797                      | 04/30/2024 | -1  |
| GII        | 10/30   | 3.880    | 4    | 3.875                      | 04/30/2024 | 0   |
| GII        | 10/31   | 3.874    | 26   | 3.890                      | 04/30/2024 | -2  |
| GII        | 10/32   | 3.956    | 20   | 3.949                      | 04/30/2024 | 1   |
| GII        | 08/33   | 3.967    | 164  | 3.980                      | 04/30/2024 | -1  |
| GII        | 07/36   | 4.035    | 8    | 4.043                      | 04/30/2024 | -1  |
| GII        | 09/39   | 4.075    | 5    | 4.053                      | 04/30/2024 | 2   |
| GII        | 09/41   | 4.125    | 1    | 4.137                      | 04/30/2024 | -1  |
| GII        | 08/43   | 4.199    | 50   | 4.209                      | 04/30/2024 | -1  |
| GII        | 05/47   | 4.266    | 6    | 4.309                      | 04/30/2024 | -4  |
| GII        | 05/52   | 4.307    | 65   | 4.312                      | 04/30/2024 | 0   |
| GII        | 03/54   | 4.289    | 30   | 4.280                      | 04/30/2024 | 1   |
|            |         |          | 3558 |                            |            |     |

## Daily Trades: Corp Bonds/ Sukuk

| Securities                                       |       | Rating | Closing<br>YTM | Vol<br>(RM mil) | Previous<br>YTM | Previous<br>Trade Date<br>(dd/mm/yyyy) | Chg<br>(bp) | Spread<br>Against MGS* |
|--------------------------------------------------|-------|--------|----------------|-----------------|-----------------|----------------------------------------|-------------|------------------------|
| Jambatan Kedua Sdn Berhad                        | 05/30 | GG     | 3.956          | 10              | 3.934           | 10/1/2024                              | 2           | 11                     |
| Cagamas Berhad                                   | 10/24 | AAA    | 3.510          | 10              | 3.500           | 24/4/2024                              | 1           | 11                     |
| Cagamas Berhad                                   | 10/24 | AAA    | 3.513          | 20              | 3.681           | 8/2/2024                               | -17         | 11                     |
| Toyota Capital Malaysia Sdn Berhad               | 02/25 | AAA    | 3.804          | 10              | 3.771           | 19/4/2024                              | 3           | 41                     |
| TNB Western Energy Berhad                        | 01/28 | AAA    | 4.246          | 50              | 4.233           | 7/2/2024                               | 1           | 54                     |
| TNB Western Energy Berhad                        | 07/28 | AAA    | 4.277          | 20              | 4.547           | 6/11/2023                              | -27         | 57                     |
| Inti Universal Holdings Berhad                   | 11/28 | AAA    | 4.317          | 50              | 4.238           | 6/3/2024                               | 8           | 54                     |
| GENM Capital Berhad                              | 08/25 | AA1    | 4.247          | 1               | 4.251           | 30/4/2024                              | 0           | 85                     |
| YTL Power International Berhad                   | 05/27 | AA1    | 3.903          | 12              | 4.582           | 18/4/2024                              | -68         | 30                     |
| YTL Power International Berhad                   | 06/28 | AA1    | 3.946          | 10              | 3.894           | 15/4/2024                              | 5           | 24                     |
| edotco Malaysia Sdn Berhad                       | 09/27 | AA+    | 3.895          | 40              | 4.057           | 30/11/2023                             | -16         | 29                     |
| Press Metal Aluminium Holdings Berhad            | 10/24 | AA2    | 3.740          | 1               | 3.725           | 5/4/2024                               | 2           | 34                     |
| CIMB Group Holdings Berhad                       | 09/32 | AA2    | 3.921          | 1               | 4.162           | 3/4/2024                               | -24         | -1                     |
| RHB Bank Berhad                                  | 09/32 | AA2    | 4.064          | 1               | 4.383           | 26/4/2024                              | -32         | 14                     |
| Fortune Premiere Sdn Berhad                      | 09/25 | AA     | 3.993          | 60              | 4.006           | 26/4/2024                              | -1          | 59                     |
| VS Capital Management Sdn Berhad                 | 09/27 | AA     | 4.057          | 70              | 3.947           | 2/4/2024                               | 11          | 45                     |
| AEON Credit Service (M) Berhad                   | 12/28 | AA3    | 4.077          | 5               | 3.972           | 29/3/2024                              | 11          | 30                     |
| Southern Power Generation Sdn Berhad             | 04/27 | AA-    | 3.953          | 10              | 3.918           | 25/3/2024                              | 3           | 35                     |
| MMC Corporation Berhad                           | 03/28 | AA-    | 4.068          | 10              | 4.100           | 25/4/2024                              | -3          | 36                     |
| Konsortium Lebuhraya Utara-Timur (KL) Sdn Berhad | 12/31 | AA-    | 4.639          | 5               | 4.552           | 4/3/2024                               | 9           | 71                     |
| Penang Port Sdn Berhad                           | 12/31 | AA-    | 4.195          | 1               | 4.198           | 29/4/2024                              | 0           | 27                     |
| Southern Power Generation Sdn Berhad             | 10/33 | AA-    | 4.320          | 2               | 4.758           | 24/10/2023                             | -44         | 35                     |
| MNRB Holdings Berhad                             | 03/34 | A1     | 4.101          | 20              | 4.072           | 30/4/2024                              | 3           | 13                     |
| MBSB Bank Berhad (fka Asian Finance Bank Berhad) | 12/29 | A3     | 4.219          | 1               | 4.235           | 22/4/2024                              | -2          | 38                     |
| Affin Bank Berhad                                | 06/18 | A3     | 5.155          | 1               | 4.290           | 22/4/2024                              | 87          | 94                     |
| Yinson Holdings Berhad                           | 11/22 | A3     | 6.092          | 1               | 6.345           | 26/4/2024                              | -25         | 187                    |
| Tropicana Corporation Berhad                     | 09/19 | A-     | 9.478          | 1               | 11.318          | 30/4/2024                              | -184        | 526                    |
|                                                  |       |        |                | 421             |                 |                                        |             |                        |

\* The spread against nearest indicative tenured MGS (Source: BPAM)

| Rating Action                       |                                                         |                |          |
|-------------------------------------|---------------------------------------------------------|----------------|----------|
| Issuer                              | PDS Description                                         | Rating/Outlook | Action   |
| Telekosang Hydro One Sdn Bhd        | RM470m ASEAN Green SRI Sukuk (2019/2037) (Senior Sukuk) | AA3/Stable     | Affirmed |
|                                     | RM120m ASEAN Green Junior Bonds (2019/2039)             | A2/Stable      | Affirmed |
| Solar Management (Seremban) Sdn Bhd | RM260m ASEAN Green SRI Sukuk (2020/2038) (the Sukuk)    | AA3/Stable     | Affirmed |

Source: RAM, MARC

**Hong Leong Bank Berhad**

Fixed Income &amp; Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: [HLMarkets@hibb.hongleong.com.my](mailto:HLMarkets@hibb.hongleong.com.my)**DISCLAIMER**

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